

A weekly update of energy prices and issues to help leaders assess energy trends throughout the year.

## Media Excerpts: A snapshot of state and national energy issues\*

Energy Awareness Conference  
Louisville, KY – Sept. 20, 2006

National Renewable Energy Conference  
St. Louis, MO – Oct. 10-12, 2006

Bluegrass Energy & Green Living Expo  
Lexington, KY – Oct. 14-15, 2006

Residential Green Building Seminar  
Lexington, KY - October 13, 2006

Building Commissioning Association  
Indianapolis – Sept. 28, 2006

**EPA proposes strategy to reduce foreign oil dependency.** Projecting annual cuts up to 3.9 billion gallons in petroleum use and 14 million tons in greenhouse gas emissions, the Bush Administration today proposed a Renewable Fuels Standard (RFS) Program designed to reduce the nation's dependence on foreign oil by doubling the use of renewable fuels such as ethanol and biodiesel. The program, authorized by the Energy Policy Act of 2005, will promote use of fuels largely produced by American crops. ("EPA proposes strategy to reduce foreign oil dependency," *AgWeb*, 9-7-06)

**Georgia utility regulators approve lower premium for green energy.** State utility regulators unanimously approved a lower premium Tuesday for the so-called green energy Georgia Power expects to begin marketing this fall. The state Public Service Commission vote lops a dollar off the premium price the commission had approved three years ago, when the company originally said it would begin marketing green power. Customers who want to buy renewable energy resources can do so in 100 kilowatt-hour blocks, converting all or a piece of their monthly power consumption to green. Each block will cost an extra \$4.50 on top of the roughly \$8.58 they would normally pay for that power. For example, a typical household -- which uses an average of 1,000 kilowatt hours per month -- might convert one block to green power. Its monthly bill would then go from \$85.80 to \$90.30. ("Georgia utility regulators approve lower premium for green energy," *Atlanta Journal Constitution*, 9-6-06)

**Trade gap hits record.** Higher oil prices lifted the July trade gap between imports and exports above the mark set after hurricanes Katrina and Rita last October. Rising oil prices increased the U.S. trade gap in July to a record high, the government reported Tuesday, as the deficit between imports and exports soared above forecasts. The Commerce Department reported that the trade gap reached \$68 billion in July, up from \$64.8 billion reported in June. Economists surveyed by Briefing.com had forecast the gap to rise to \$65.5 billion. The previous record was \$66.6 billion in October, when high oil prices and a jump in gasoline imports in the wake of hurricanes Katrina and Rita swelled the gap. The average price of a barrel of imported oil hit \$64.84 in July, also a record high. That was up 4.5 percent from the June levels. The trade gap is important to the economy because it reduces U.S. economic activity, helping to shift work and jobs to overseas producers of goods and services. ("Trade gap hits record," *CNN Money*, 9-12-06)

**BMW to lease hydrogen cars in April.** Eager to put its stamp on cars with green credentials, BMW announced September 12 that it will roll out the world's first hydrogen-burning car in serial production early next year. Dubbed the Hydrogen 7, the specially equipped 7-Series executive cars emit only water vapor when running on hydrogen. That means zero emissions of pollutants and carbon dioxide, a gas that many scientists tie to global warming. "The complete change from a fossil fuel infrastructure to a hydrogen economy will require decades," the German carmaker said in a statement, but the Hydrogen 7 "shows that bringing hydrogen technology to the road is indeed feasible." ("BMW to lease hydrogen cars in April," *MSNBC*, 9-12-06)

**Griffin Industries receives national recognition as an accredited producer of biodiesel: BQ-9000 Accreditation Helps Ensure Consumer Confidence for Fastest Growing Renewable Fuel in the United States.** Griffin Industries, an agribusiness leader and a producer of biodiesel since the late 1990's, has achieved BQ-9000 accreditation in an announcement made by the National Biodiesel Board (NBB). BQ-9000 is a voluntary fuel quality assurance program administered by NBB that includes procedures for fuel storage, handling and management aimed at ensuring biodiesel fuel quality throughout Griffin's distribution system. Biodiesel is a cleaner burning fuel that can be made from domestic renewable resources such as recycled restaurant grease, animal fats and soybean oil. The fuel can be used in any diesel engine without modifications as either a complete replacement to diesel fuel or as an additive. In addition to reducing dependency on foreign oil, biodiesel dramatically lowers harmful emissions, resulting in a safer, healthier fuel alternative to petroleum.

**OPEC official warns of 'New Price Era'.** High and volatile crude costs may signal "a new price era," a senior OPEC official said Tuesday, insisting that the 11-nation cartel is doing all it can to bring prices down to more reasonable levels. Mohammed Barkindo, acting secretary-general of the Organization of Petroleum Exporting Countries, defended the group's decision Monday to keep its production target steady at 28 million barrels a day. ("OPEC official warns of 'New Price Era'," *Washington Post*, 9-12-06)

**Saudi: Just 18 pct. of world oil tapped.** The world has tapped only 18 percent of the total global supply of crude, a leading Saudi oil executive said Wednesday, challenging the notion that supplies are petering out. Abdallah S. Jum'ah, president and CEO of the state-owned Saudi Arabian Oil Co., known better as Aramco, said the world has the potential of 4.5 trillion barrels in reserves enough to power the globe at current levels of consumption for another 140 years. ("Saudi: Just 18 percent of world oil tapped," *Washington Post*, 9-13-06)

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## Kentucky Retail Fuel Prices (Dollars per gallon)

Product	09/13/06	09/06/06	08/30/06	08/23/06	Year Ago
Gasoline (State avg.)	2.370	2.504	2.626	2.743	2.852
Ashland	2.450	2.556	2.698	2.813	2.859
Covington	2.424	2.570	2.669	2.788	2.893
Lexington	2.229	2.367	2.504	2.649	2.800
Louisville	2.337	2.467	2.601	2.711	2.815
Owensboro	2.307	2.519	2.570	2.719	2.882
Diesel (State avg.)	2.788	2.878	2.930	2.935	2.773
Ashland	2.808	2.896	2.912	2.938	2.776
Covington	2.805	2.921	2.954	2.945	2.753
Lexington	2.843	2.902	2.945	2.950	2.727
Louisville	2.845	2.910	2.945	2.964	2.705
Owensboro	2.790	2.911	2.905	2.910	2.852

**Note:** The record high average price for gasoline in Kentucky is \$3.049 and occurred on Sept. 3, 2005.

**Source:** Gasoline (unleaded regular) & Diesel: National AAA, <http://www.fuelgaugereport.com/KYavg.asp>

## Wholesale Fuel Prices

Spot Prices	09/13/06	09/06/06	08/30/06	08/23/06	Year Ago
Crude Oil (Dollars per barrel)	63.98	68.60	70.04	71.42	63.12
West Texas Intermediate, fob					
Natural Gas (Dollars per MMBtu)	5.420	5.485	6.390	6.100	10.75
Henry-Hub					

**Source:** [Oilenergy.com](http://Oilenergy.com)

Futures		Oct-06	Nov-06	Dec-06
Crude Oil (Dollars per barrel)	09/13/06	63.97	64.98	65.99
Light Sweet Crude Oil	09/06/06	67.50	68.70	69.60
	08/30/06	70.03	71.09	-
Natural Gas (Dollars per MMBtu)	09/13/06	5.449	7.084	8.679
Henry-Hub	09/06/06	5.994	8.019	9.939
	08/30/06	6.290	8.260	-
Propane (Cents per gallon)	09/13/06	106.50	107.00	107.50
	09/06/06	110.25	111.25	112.25
	08/30/06	112.00	113.00	-
Coal (Dollars per ton)	09/08/06	46.00	-	-
Central Appalachian	09/01/06	47.00	-	-
	08/28/06	47.00	-	-

**Source:** [NYMEX closing price](#) and [EIA Coal Futures](#)

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